



Office of Right of Way

Appraisal Administration Manual

August 2003

IOWA DEPARTMENT of TRANSPORTATION

APPRAISAL ADMINISTRATIVE MANUAL

August, 2003

Table of Contents

This Policy and Procedure Manual describes the structure and administration of the Office of Right of Way Appraisal Section.

ORGANIZATION AND STAFFING.....	1
General Duties	1
Staffing	2
➤ Chief Appraiser	2
➤ Appraisal Production Coordinator	3
➤ Review Appraiser	3
➤ Senior Appraiser.....	4
➤ Journeyman Appraiser.....	4
➤ Contract Appraiser	5
➤ Contract Review Appraiser.....	6
➤ Fixture and Equipment Appraiser.....	7
➤ Specialist.....	7
Conflict of Interest	8
Disadvantaged Business Enterprise Participation.....	8
 ADMINISTRATION	 10
Receipt of Project Material.....	10
Transmittal of Minor Acquisition Parcels	10
Preliminary Project Inspection	10
Number of Appraisals	11
Assignment and Selection of Appraisers	11

Contract Appraiser Hiring and Payment	12
➤ Direct Hiring	12
➤ Competitive Proposal	13
➤ Payment of Contract Appraiser Fees.....	15
➤ Late Penalties	15
Number and Submission of Appraisal Reports	15
Parcel Revision and Addition.....	16
Parcel Deletion.....	16
Record Keeping	16
Progress Reports	16
Fence Schedule	16
 COORDINATION WITH GENERAL COUNSEL	 18
Pre-Trial Conferences	18
Interrogatories	18
Court Testimony	18
 APPRAISAL REVIEW PROCEDURES.....	 19
Definitions	19
➤ Appraisal Review	19
➤ Review Appraiser	19
Function and Purpose of Review	19
Assignment of Review Appraisers	20
Review Appraiser's Duties.....	20
➤ Report Review and Acceptance	20
➤ Estimate of Just Compensation.....	21
➤ Allocation of Just Compensation.....	22
➤ Written Review	22
Transmittal of Reviewed Reports	23
➤ Original Appraisals	23
➤ Subsequent Appraisals	23

➤ Special Reports	23
➤ Local Public Agency Appraisals	24
Performance Critique	24
Monthly Report.....	24
Suggested Review Procedure	25
 THE APPRAISAL WAIVER PROCESS	 27
 APPENDIX	 30

Iowa Department of Transportation

Appraisal Administration Manual

This Policy and Procedure Manual pertains to the structure and administration of the Iowa Department of Transportation's Office of Right of Way Appraisal Section.

Organization and Staffing

GENERAL DUTIES

The Appraisal Section is responsible for establishing "just compensation" for property or property rights to be acquired by the Iowa Department of Transportation (Iowa DOT). Implicit in this responsibility is the necessity of maintaining: 1) a manual of established policy and procedures; 2) a repository of up-to-date information on eminent domain law; and, 3) a staff of trained appraisers and review appraisers to accomplish assigned duties within allotted time periods.

The Appraisal Section is to report "just compensation" to the Acquisition Section with an allocation in accordance with State law. In all cases, when it is determined an appraisal is necessary, the Review Appraiser is responsible for a final estimate of value and allocation.

The Appraisal Section is to provide information on residential value, economic rent, building cost, fencing cost, costs to produce agricultural crops, marketable value of agricultural crops, and any other information relating to real estate requested by other offices and sections.

The Appraisal Section is to provide assistance to General Counsel in the preparation of legal actions relating to real estate value.

The Appraisal Section is to provide advice and assistance to other governmental agencies in their efforts to comply with State and Federal land acquisition appraisal requirements.

STAFFING

➤ *Chief Appraiser*

The Appraisal Section of the Office of Right of Way operates under supervision of the Chief Appraiser who is directly responsible to the Right of Way Director. The Chief Appraiser plans, directs, and coordinates all appraisal activities involved in the acquisition of property or property rights for right of way purposes.

The Chief Appraiser is assisted by a staff of Appraisal Production Coordinators, Review Appraisers, and Staff Appraisers. The Chief Appraiser is responsible for employment of independent contract appraisers, when necessary, subject to administrative approval. The Appraisal Production Coordinators and Review Appraisers receive their assignments from and are directly responsible to the Chief Appraiser.

The Chief Appraiser, in coordination with office administrative personnel, is responsible for establishment of position descriptions and qualifications for staff appraisers, recommendations concerning applicants for employment and recommendations for promotion, demotion and termination of staff appraisers. The Chief Appraiser maintains a roster of pre-qualified contract appraisers eligible for employment by the State. The Chief Appraiser evaluates the qualifications and performance of staff appraisers and review appraisers. Such evaluations are made with consultation with the Appraisal Production Coordinator and Review Appraisers and through periodic personal inspection of completed appraisal reports.

The Chief Appraiser approves appraisal contracts and all requests for payment received from contract appraisers under \$10,000. All appraisal contracts with a payment amount over \$10,000 require Staff Action approval.

The Chief Appraiser advises department management on appraisal issues, directs training of appraisal personnel, is responsible for design of appraisal forms, establishes and supervises office procedures, assists General Counsel in securing witnesses for court appearances in condemnation cases, and other tasks as may be required relative to the appraisal function.

All contract appraisal review and contract appraisal assignments are the responsibility of the Chief Appraiser. The Chief Appraiser solicits reasonable pre-bid estimates of appraisal fees on a parcel-by-parcel basis for all federal-aid right of way projects, except when a contract appraiser is to be selected through the competitive fee proposal procedure.

The Chief Appraiser must be a Certified General Real Property Appraiser in the State of Iowa, in good standing.

➤ *Appraisal Production Coordinator*

The Appraisal Production Coordinator is responsible for the production of all appraisal reports for the Office of Right of Way. The coordinator works under the supervision of, and is directly responsible to the Chief Appraiser.

The Appraisal Production Coordinator coordinates all staff appraisal assignments, establishes the appraisers and appraisal reviewers schedules to ensure timely project completion, monitors daily appraisal activities, determines the type of appraisal report required, maintains production records, consults with either the Acquisition Supervisor, Acquisition Production Coordinator or Review Appraiser in order to determine whether to implement the appraisal waiver process, writes technical guidelines, conducts technical training of Appraisers, develops appraisal forms, ensures proper appraisal documentation, recommends work standards, may assist in interviews for new hires, keeps abreast of current technical appraisal procedures, may act as an Review Appraiser and assists in administration of the Appraisal Section.

The Appraisal Production Coordinator must be a Certified General Real Property Appraiser in the State of Iowa, in good standing.

➤ *Review Appraiser*

Review Appraisers are staff members selected by the Chief Appraiser from individuals classified at the Right of Way Agent III level. They are responsible for conducting a thorough review of the appraisal reports of staff appraisers, fee appraisers, and appraisers hired by property owners. They perform their reviews independent of both field appraisers and department administrators, with the final value conclusion being their own finding. Their review is to ensure compliance with State and Federal regulations and that conclusions of value are supported by adequate data and documentation. The Review Appraiser is responsible for establishing just compensation which is the basis for the Agency's monetary offer for purchase of required properties. The Review Appraiser must approve a value different from that indicated in any appraisal report when he/she believes such is justified and appropriate. Reasons for that difference must be documented in the appraisal reviewer's report. The Review Appraiser may adjust a previously approved estimate of value at any later date when additional information becomes available that warrants such change. The Review Appraiser must document the parcel file stating reasons for any changes in original approved values. The Review Appraiser may appear in court as an expert witness and assist General Counsel in preparing court cases when requested.

A Review Appraiser's qualifications shall be consistent with the level of difficulty of a review assignment. A Review Appraiser shall understand how acquiring a part of a property can cause damage, destroy, or reduce in value the property, which remains. Review Appraisers must have advanced knowledge of and ability to apply appraisal

theories, practices and techniques necessary to: render an informed opinion of defined value; become the appraiser of the property being appraised; or, estimate damages or loss in value.

A Review Appraiser must be a Certified General Real Property Appraiser in the State of Iowa, in good standing.

➤ *Senior Appraiser*

Senior Appraisers are staff members selected by the Chief Appraiser from those individuals classified as Right of Way Agent III. They perform under the supervision of the Chief Appraiser and are responsible for appraising more complex and difficult properties encountered on right of way projects. A Senior Appraiser shall understand how acquiring a part of a property can cause damage, or reduce in value, the property that remains. They must have advanced knowledge of and the ability to apply appraisal theories, practices and techniques necessary to render an informed opinion of defined value and to document a value opinion in accord with agency standards. Senior Appraisers shall have advanced knowledge of how to identify, estimate and document cost to cure damages, and to determine the value of land to be acquired from available land sale market information. They shall prepare their appraisal reports independently of any other appraiser working on the same property.

The Senior Appraiser will appear in court as an expert witness when requested and will assist General Counsel in preparation of the court case. The Senior Appraiser will assist the Appraisal Production Coordinator and perform other related work as assigned. They may be called upon to perform negotiation and relocation assistance functions on minor acquisitions when the appraisal waiver process is used.

A Senior Appraiser must be a Certified General Real Property Appraiser in the State of Iowa, in good standing.

➤ *Journeyman Appraiser*

Journeyman Appraisers are staff members selected from those individuals classified as Right of Way Agent II. They are responsible for appraising properties as assigned and furnishing appraisal reports using procedures in accordance with regulations. A Journeyman Appraiser shall understand how acquiring a part of a property can cause damage, or reduce in value, the property that remains. They shall have a working knowledge of and ability to apply appraisal theories, practices and techniques necessary to render an informed opinion of value defined and to document the value opinion in accordance with the appraisal operational manual. They shall have a working knowledge of how to identify, estimate, and document cost to cure damages, and to determine value of land to be acquired from available land sale market information. They must prepare appraisal reports independently of any other appraiser assigned to the

same property. The Journeyman Appraiser will appear in court as an expert witness when requested and will assist General Counsel in preparation of court cases. The Journeyman Appraiser will perform other related work as may be assigned.

A Journeyman Appraiser must be a Certified General Real Property Appraiser in the State of Iowa, in good standing.

➤ *Contract Appraiser*

Contract Appraisers may be retained when staff is insufficient, when an assignment requires highly specialized knowledge and experience, or when an outside opinion is desirable or necessary. Their services may include appraisals, cost studies, estimates or consultations, etc. Local Public Agencies often retain contract appraisers for a full range of appraisal expertise, from very simple to most complex. These reports shall be prepared independently. Selection of an individual or firm shall be based on demonstrated expertise in eminent domain appraisal and the ability to appraise these properties within an acceptable time frame. Preference may be considered for appraisers located in a project community or area.

The Iowa Department of Transportation has established a pre-qualification process for the review and evaluation of appraiser qualifications for work category 471 – Appraisal: Non-Residential Real Estate. Inclusion on this list is for a maximum of two years. Qualified appraisers may renew biennially on the Iowa DOT Consultant website at: www.prof-tech-consultant.dot.state.ia.us.

There is no pre-qualification process for the Contract Appraiser to perform total acquisition appraisals of single-family residences. However, the appraiser must be a licensed appraiser in Iowa, in good standing.

The Contract Appraiser must possess a working knowledge of State and Federal eminent domain law, policy and procedures pertaining to eminent domain appraisal in the State of Iowa. They must understand how and why acquiring a part of a property can damage, or reduce in value, the property which remains. Advanced knowledge of, and ability to apply appraisal theories, practices and techniques necessary to render an expert opinion of defined value together with documentation of that value opinion in accordance with this manual is necessary.

The Contract Appraiser must communicate, in typed form, appraisal analysis and conclusions required to comply with Uniform State and Federal standards. The appraiser must satisfactorily demonstrate this ability, upon request, through submittal of sample eminent domain appraisal reports.

A Contract Appraiser must respond promptly to requests for clarification or correction of the appraisal product. Unless arranged by prior agreement, requested clarifications

and corrections are to be received by the Chief Appraiser or Reviewing Appraiser within 10 working days of the request.

Each contract appraiser must be well informed of eminent domain law to qualify as an expert witness in real estate valuation in Iowa District Courts.

Contract Appraisers are retained by written contract subject to agency approval. They are not to commence assignments until such time as a copy of the approved contract has been returned. Individuals named in the contract, or signing on behalf of a company shall have primary responsibility for satisfactory completion of contract terms. Reimbursement for cost to cure estimates secured by contract appraisers must be cleared through the Chief Appraiser, or designee.

Upon completion of an appraisal project, or following completion of a grouping of appraisals, the appraiser will receive a performance memorandum. The memorandum is intended to be a tool to help the appraiser improve valuation techniques, analysis and productivity on future assignments. Strengths of the appraiser should also be addressed in the memorandum. A copy of the memorandum will be placed in a Fee Appraiser performance file with a copy forwarded to the Iowa DOT Consultant Coordinator.

Any contract (Fee) appraiser employed to perform an appraisal assignment must be State of Iowa certified in accordance with *Iowa Code* chapter 543D.

The contract appraiser shall, if requested by the Department, attend Condemnation Hearings as the appraiser of record and as an expert witness for the State of Iowa in support of any completed appraisal report. Payment for such appearances shall be based on the hourly rate for an expert witness as stated in the contract.

➤ *Contract Review Appraiser*

Contract Review Appraisers may be retained when agency review appraisal staff is insufficient, when an assignment requires highly specialized knowledge, or when an outside opinion is desirable or necessary. The Contract Review Appraiser is primarily used by governmental subdivisions and agencies which do not maintain a trained appraisal staff.

A Contract Review Appraiser may provide appraisal acceptance and fair market value appraisal review determination, **but the Agency remains responsible for the final determination of the amount to be offered as just compensation.**

The Contract Review Appraiser must be able to demonstrate a high level of proficiency in State and Federal eminent domain law, policy and procedure as they pertain to appraisal practice in the State of Iowa.

The Contract Review Appraiser shall be an expert in current appraisal theory and technique, and have ability to critique improper procedure of others.

The duties of a Contract Review Appraiser shall be consistent with those of a Staff Review Appraiser.

The Contract Review Appraiser is hired for personal qualifications and therefore may not sublet the assignment to another individual. Selection shall be based upon expertise and ability to appraise that kind of property involved in the assignment. They shall be retained by written contract.

Contract Review Appraisers shall be Certified General or Residential Real Property Appraisers in the State of Iowa, as appropriate, in good standing.

➤ *Fixture and Equipment Appraiser*

When fixture and equipment appraisals are necessary, they should be provided by personal property or machinery and equipment appraisers. An appraiser should be chosen based upon their area of expertise and type of property to be appraised.

When a qualified staff appraiser is not available, a contract appraiser should be retained. Contract fixture and equipment appraisers are normally retained by the Chief Appraiser through direct hiring.

The fixture and equipment appraiser should be placed in contact with any real estate appraisers also assigned to the property. This will allow their efforts to be coordinated in producing a uniform division of reality and personality.

Property to be appraised is to be inventoried by the appraiser. Unless otherwise agreed upon, the appraisal report is to indicate reproduction cost, value in place, and salvage value of each item or group of like items.

Prior to the initiation of negotiations, the appraiser or review appraiser shall incorporate the fixture and equipment appraisal into the real property appraisal.

➤ *Specialist*

When reproduction, replacement, construction or cost-to-cure estimates are required to assist in preparing an appraisal, the appraiser may, with prior approval from the Appraisal Production Coordinator or the Chief Appraiser, engage a specialist to furnish such an estimate. When the cost of this service is minor, staff appraisers will reach an agreement with the estimator relative to amount of the fee. The Chief Appraiser should be consulted when the cost of the service is substantial. Contract appraisers will include

such costs as a part of their fee, unless the Agency elects to provide an estimate. A copy of the estimate should be included in the appraisal report.

The specialist's report should indicate a breakdown of costs of various items of material, labor, and other items or duties involved. If subcontractors are to be used by the primary contractor, a similar breakdown of their estimates should be included.

CONFLICT OF INTEREST

The Chief Appraiser and Appraisal Production Coordinator oversee Iowa DOT assignments and other activities of both staff and fee appraisers to avoid either actual or perceivable conflicts of interest. Appraisal and appraisal review assignments are to be managed so that there is no present or contemplated future interest in any property or property rights being appraised by individuals involved. The appraiser's compensation or employment may not be contingent on appraised value, or on an action or event resulting from analysis, opinions or conclusions in the report. Appraisers and review appraisers are to notify the Chief Appraiser or Appraisal Production Coordinator of any possible conflict of interest that may affect their participation on an assignment. The appraiser must decline acceptance of an assignment when there is such an interest.

Contract appraisers are encouraged to appraise for both the State and property owners, even though properties are located on the same project. However, it is a conflict of interest to appraise for both parties on the same property, or part thereof, prior to final completion of the State's acquisition, and such is prohibited.

In cases where public perception of a conflict of interest may arise from use of staff appraisers and/or review appraisers, the Chief Appraiser shall determine whether to use staff appraisers or hire contract appraisers to perform appraisals. These cases include, but are not limited to: properties owned by Iowa DOT personnel; Federal Highway Administration personnel; and, local, state and federal elected or appointed officials.

DISADVANTAGED BUSINESS ENTERPRISE PARTICIPATION

The State of Iowa's goal for participation by Disadvantaged Business Enterprises (DBE's) on any federally funded contracts or projects for professional services will be the annual goal as established by the Director of the Office of Contracts for the Iowa DOT.

Recognizing that federally funded right of way acquisition contracts for appraisal services do not lend themselves to subcontracting, the following "good-faith effort" procedure is required.

- Obtain names of qualified DBE appraisers from Office of Contracts or advertise in general circulation, trade association and minority-focus media. Qualification of DBE appraisers responding to advertisements must be determined by the Office of Contracts and the Office of Right of Way, if not on approved list.
- Notify qualified DBE appraisers of any future contracts for appraisal services. Preferably, this should be on a personal basis, as in a telephone contact, and in sufficient time to allow the DBE to participate effectively.
- Solicit bids from these qualified DBE appraisers on each Federal aid right of way project.
- Document all "good-faith effort" procedures for each Federal-aid right of way project by copies of correspondence and replies in the project general file. This should include written notes to document personal and/or telephone contacts with any DBE.

This procedure replaces the need to set individual DBE goals on appraisal services for each project and replaces the need to request individual approvals from the Iowa DOT.

Cities with only an occasional federally funded appraisal service contract are to provide the Office of Local Systems a letter, after appraisal contracts are awarded, certifying that they followed the "good-faith effort" procedure, and list actual dollar amount awarded for these services and amount (if any) awarded to DBE's.

Cities which may be continuously involved in this process are to provide the letter of certification and actual amounts on a semiannual basis prior to March 31 and September 30. The letter should document individual Federal aid right of way projects and actual total amount awarded to qualified DBE appraisers.

ADMINISTRATION

RECEIPT OF PROJECT MATERIAL

Project plans and parcel files are delivered to the Appraisal Section with a letter of transmittal from the Right of Way Design or Acquisition Sections. Revisions, additions or deletions are to be similarly delivered.

In addition, the parcels are tracked electronically via the Office of Right of Way Parcel Tracking System as they proceed through the various office sections.

TRANSMITTAL OF MINOR ACQUISITION PARCELS

Upon receipt of plans and parcel files for a project, the Appraisal Production Coordinator desk reviews proposed acquisitions. Those parcels where probable compensation will exceed \$10,000 will be retained in the Appraisal Section for assignment. The Appraisal Production Coordinator and/or the Acquisition Supervisor will then determine which of the remaining parcels may have sufficient complexity to require an appraisal. These parcels will be retained in the Appraisal Section for assignment. The remaining parcels are candidates for the appraisal waiver process using the Compensation Estimate as the reporting tool, and will be forwarded to the Acquisition Section for assignment.

Please note that the selection of parcels to be processed using the appraisal waiver is made before parcels are assigned to specific appraisers. This process is a joint decision using a Certified General Real Property Appraiser with an extensive eminent domain background, and a qualified supervisor who also has an extensive eminent domain background as well as an understanding of the qualifications of the negotiators who will be developing the Compensation Estimates. (See Page 27, "Appraisal Waiver Process")

When this right of way function is done by any other acquisition agency or right of way contractor, the parcels must be selected by personnel with the same qualifications.

In cases where all parcels on the project are determined to be eligible for the appraisal waiver process, it may be appropriate to have an appraiser provide market sales and analysis to the negotiation staff to assist in the development of Compensation Estimates.

PRELIMINARY PROJECT INSPECTION

Prior to assignment of a major project for appraisal, there will be a field inspection by either the Chief Appraiser, Appraisal Production Coordinator, or an assigned staff Appraiser. The purpose is to develop the appraisal problem by: 1) identifying of unusual

appraisal situations; 2) describing the features of the properties to be appraised; 3) describing the appraisal issues and any special instructions regarding the reports to be provided; 4) specifying the types of reports required; 5) specifying the type of information that will be provided and what will be required from the appraiser, e.g., title search; property plats; right of way plans, etc.; and, 6) providing the expected completion date of all appraisals.

When contract appraisers are to be hired, a signed, written estimate of an equitable appraisal fee is to be placed in the general file, unless the competitive fee proposal system is used. The fee estimate shall be based on the complexity of the assignment, the experience and ability required of the appraiser, the specifications for the appraisal assignment, the number of parcels involved, the amount of information and data supplied, the location and conditions pertinent to the project, and the time allowed for completion of the assignment.

NUMBER OF APPRAISALS

At least one appraisal shall be prepared on each individual property involving a permanent acquisition unless a waiver of the appraisal process is warranted. When the appraisal process is waived, the amount believed to be Just Compensation may be estimated by the use of a Compensation Estimate. Appraisals may be waived when the acquisition is uncomplicated and its value is estimated to be less than \$10,000, exclusive of the \$20.00 per lineal foot legislated payment for additional residential driveway length, growing crops, and right of way fence.

Two real estate or fixture and equipment appraisals may be obtained, prior to negotiation when: 1) a significant acquisition is involved; 2) there is reasonable doubt as to highest and best use; 3) property improvements are complex or unusual; or, 4) it is in the best public interest.

Additional appraisals may be obtained in special or unusual circumstances with approval of the Chief Appraiser.

ASSIGNMENT AND SELECTION OF APPRAISERS

The Chief Appraiser and/or Appraisal Production Coordinator shall, based upon preliminary project inspection, determine whether individual parcels are to be appraised by staff appraisers or contract appraisers. Contract appraisers will be used to supplement appraisal staff when staffing is limited, when the assignment requires special knowledge or experience not available in staff, or when an outside opinion is advisable. Selection of contract appraisers is to be based on qualifications, past performance and availability. When qualified staff appraisers are available, their use will be given preference.

Where more than one appraisal is desired on a parcel, a second appraisal may be obtained from either a staff or a contract appraiser. The Chief Appraiser and Appraisal Production Coordinator may coordinate appraisal assignments in any manner that is deemed appropriate. This may include all staff appraisers, all contract appraisers, or a mix of staff and contract appraisers on any given project or parcel.

CONTRACT APPRAISER HIRING AND PAYMENT

The Chief Appraiser or Appraisal Production Coordinator may elect either direct hiring or competitive proposal for hiring of contract appraisers and may assess penalties for late completion of contract assignments.

➤ Direct Hiring

The Chief Appraiser or Appraisal Production Coordinator may contract directly with a specific appraiser, from the list of pre-qualified appraisers, when only one or a very few properties on a project are to be appraised by a contract appraiser, when the particular qualifications of a specific appraiser are desired, when project time constraints require, when performance capabilities of a new contract appraiser are to be tested, or in other situations where the Right of Way Director grants approval.

For purposes of bidding an assignment, contract appraisers are supplied plats and plan sheets, and shall be given time to visit the project to determine the complexity of the assignment. The appraiser's fee proposal is to be sent to the Chief Appraiser or Appraisal Production Coordinator in writing.

Prior to receipt of the contract appraiser's fee proposal, a signed written fee estimate made by the Chief Appraiser, Appraisal Production Coordinator, or another member of the appraisal section, is placed in the general file.

On receipt, the appraiser's proposal will be compared with the fee estimate. If the Chief Appraiser or Appraisal Production Coordinator believes the proposal and fee estimate are within an acceptable range, an appraisal contract will be processed at the amount of the proposal. If the proposal and fee estimate variance is unacceptable, the Chief Appraiser or Appraisal Production Coordinator will review the fee estimate to determine whether it excessively or inadequately addresses work to be performed. If the fee estimate is found to be in error an adjustment will be considered. If the fee estimate is affirmed, the Chief Appraiser or Appraisal Production Coordinator will reject the proposal. The Chief Appraiser or Appraisal Production Coordinator then may either request a new proposal from the contract appraiser, or may request another contract appraiser to submit a proposal.

➤ *Competitive Proposal*

The Chief Appraiser or Appraisal Production Coordinator will select contract appraisers from the list of pre-qualified contract appraisers through competitive proposals, except in those situations listed in the preceding paragraph. The steps to be followed are as follows:

- ❖ Determine appraisal problem, type of report needed, level of appraisal expertise required and number of appraisals needed on each parcel.
- ❖ Consult with the Appraisal Production Coordinator and Review Appraisers to determine which fee appraisers are capable of performing the service. Considering requirements, develop a list of appraisers to be invited to submit a fee proposal.
- ❖ Mail an invitation to pre-qualified contract appraisers containing the appraisal problem which includes the following information: description of features of properties to be appraised; description of the appraisal issues and any special instructions regarding the reports to be provided; specification of the types of reports required; specification of what type of information will be provided and what will be required from the appraiser, e.g., title search; property plats; right of way plans; etc. The invitation must state the date the fee proposals are due and the expected completion date of all the appraisals. The selected appraisers shall, if they so desire, be given time to visit the project and determine the complexity of the assignment.
- ❖ Receive "fee proposals" up to and including the specified due date. The amount of any proposal shall be kept confidential prior to contract award. The appraiser shall be allowed to make corrections in submitted proposals prior to the due date and may be asked for clarifications prior to the contract award.
- ❖ Prepare and submit to the Chief Appraiser a listing of fee proposals received, together with a request for concurrence in awarding the contract to the appraiser(s) who submitted the lowest proposal(s). While in most cases the Chief Appraiser or Appraisal Production Coordinator will request concurrence in awarding the contract to appraiser(s) who submitted the low proposal, there may be instances when an alternative proposal is recommended for concurrence. In such instances, the Chief Appraiser or Appraisal Production Coordinator will prepare a justification for selection.

An alternate proposal may be recommended for concurrence when:

The person submitting the low proposal has been requested to submit a copy of an acceptable appraisal or to otherwise document experience similar to

that required to complete the eminent domain appraisal assignment but has failed to do so, or,

The requested appraiser or appraisers are not or are no longer available, or,

- The person submitting the low proposal does not have, or no longer has the time necessary to complete the assignment on schedule due to work already or recently accepted from other clients, or,
 - The person submitting the low appraisal has been more than 10 days late in submitting completed and acceptable appraisals on the appraiser's last assignment or on one or more other appraisal assignments within the last six months, or,
 - The person submitting the low proposal has submitted work that was accepted as an acceptable and credible appraisal only after extensive or substantive revision either on the appraiser's last assignment or on one or more other appraisal assignments within the last twelve months, or,
 - The person submitting the low proposal has failed or refused to promptly make revisions, changes or additions required to complete an acceptable and credible appraisal on the appraiser's last assignment or on one or more other appraisal assignments in the last twelve months.
- ❖ After receiving the Chief Appraiser's concurrence, notify successful appraiser(s) and mail them three copies of pre-typed appraisal contract (Form 633-001) for signature. All three copies are to be returned to the Chief Appraiser or Appraisal Production Coordinator for further processing.
- ❖ Prepare "Staff Action" documents for Iowa DOT Key Staff approval of appraisal contracts over \$10,000. After staff approval of appraisal contracts, the Chief Appraiser or Appraisal Production Coordinator shall sign, code, and program all copies, then present them to the Right of Way Director for final signature.
- The original copy of the contract is to be retained in the Appraisal Section and a copy forwarded to the Payment and Audit Unit in the Property Management Section.
- ❖ A copy of the approved contract is to be mailed to the Contract Appraiser, together with a letter of instructions to proceed with the assignment. A copy of this letter is also to be delivered to the District Engineer and the Office of Revenue and Finance. In those cases where a contract is not approved, no compensation will be paid the appraiser for any work already performed.

- ❖ Mail any supporting information such as plans, aerial photographs, etc. to the appraiser, which may be of assistance in the timely completion of the assignment.
- ❖ Mail a letter to all unsuccessful invitees notifying them of results, including to whom the contract was awarded.

➤ *Payment of Contract Appraiser Fees*

All requests for payment of contract appraiser's fees shall be submitted on the appraiser's statement. Payment of claims must be approved by the Chief Appraiser prior to processing.

➤ *Late Penalties*

If any appraisal report is received by the Iowa DOT after the specified due date, a late penalty of 2 1/2% per working day will be assessed and deducted from the appraiser's fee as contracted for that property and, the appraiser agrees that net payment constitutes full payment for services rendered. However, a grace period of five working days after the due date will be applied and the late penalty excused on any appraisal report received within that period. If an appraisal report is received on or after the sixth working day, the full penalty, computed from original due date, will be deducted from the appraisal fee prior to payment. Working days are defined as those days that the Iowa DOT offices are open for business.

Delays caused by the property owner, Iowa DOT revisions or interruptions, or other special circumstances may be cause to adjust the original due date for the assignment. Any adjustments in the contracted due date shall be made in writing by the Chief Appraiser.

In the event penalties are to be deducted, the Chief Appraiser will notify the contract appraiser in writing of the date of receipt of the appraisal and the amount of the deduction. The Contract Appraiser may appeal the assessment and deduction of late penalties to the Right of Way Director for arbitration.

NUMBER AND SUBMISSION OF APPRAISAL REPORTS

An original and two copies of each appraisal report shall be prepared and submitted to the Chief Appraiser. Appraisers are advised to retain a copy for their files.

Contract appraiser's reports are submitted directly to the Appraisal Section unless delivery to another location is specified in writing by the Chief Appraiser.

PARCEL REVISION AND ADDITION

When revision of an existing parcel is required, a revision request (Form 632-021) is submitted to the Right of Way Design Supervisor explaining reasons for revision, together with supporting documents such as copies of deeds, etc. Creation of additional parcels is also requested on this form. When completed, all revised and newly created parcels are to be processed through the Chief Appraiser or Appraisal Production Coordinator to assure proper record keeping.

PARCEL DELETION

When a parcel is deleted, all files are to be returned to the Chief Appraiser for disposal.

RECORD KEEPING

A record of contract appraisal assignments shall be maintained under direction of the Chief Appraiser. This record shall be by county and project number. It shall indicate the contracting appraiser or firm, parcel number and name, date of contract approval, date of receipt of appraisal report, and amount of the fee.

A file of the original copy of all approved appraisal contracts and a project file by counties, which includes correspondence and other appraisal information relative to each project, shall be maintained by the Chief Appraiser.

A file of all Order Claims and vouchers originating from the section shall be maintained under the direction of the Chief Appraiser.

A file containing names of Contract Appraisers on the list of pre-qualified appraisers available for use by the Agency shall be maintained by the Chief Appraiser.

PROGRESS REPORTS

On a monthly basis, a report shall be prepared and submitted to the Right of Way Director indicating the total number of staff and contract appraisals reviewed during the month. This report shall include year-to-date accomplishments.

FENCE SCHEDULE

On an annual basis, the Appraisal Section will research current costs of installing right of way fencing and furnish a "fence cost schedule" to the Acquisition Section as follows:

- Cost of installing fence with 38 inch woven wire plus two strands of barbed wire.
- Extra costs for corners
- Cost of installing fence with four strands of barbed wire

COORDINATION WITH GENERAL COUNSEL

PRE-TRIAL CONFERENCES

The appraiser shall be available upon request from General Counsel for conferences, field inspections, depositions, etc.

INTERROGATORIES

The Chief Appraiser or a designated representative shall answer in writing any interrogatories from the court that have been forwarded by General Counsel. Only those questions pertaining to the appraisal shall be answered by the Appraisal Section.

COURT TESTIMONY

The appraiser and or the reviewer shall be available for court testimony at the request of General Counsel. Their presence may be required for either the entire trial or only to testify.

Payment for contract appraiser's or reviewer appraiser's consultation and testimony shall be based on the rate established in the appraisal or review appraisal contract for the parcel. Request for payment shall be made directly to General Counsel.

APPRAISAL REVIEW PROCEDURES

DEFINITIONS

➤ Appraisal Review

An appraisal review is an examination and determination by a review appraiser that: 1) the form and content of an appraisal conforms with the requirements of law, rule, and this manual; and, 2) that estimates of market value and just compensation are comprehensive, supported by the real estate or personal property market data, and are a reasonable compensation for the loss in property value and/or damages. The review may include an independent analysis of data from submitted appraisal report(s) and other gathered data, to reach an independent estimate of fair and reasonable "just compensation". The review is also a final determination of the amount to be offered by the Iowa DOT as "Just Compensation".

➤ Review Appraiser

A review appraiser is an individual with the delegated administrative responsibility to ascertain final determinations, to accept appraisals, to approve appraisal estimates of just compensation and, to establish an amount to be offered by the Iowa DOT as just compensation.

FUNCTION AND PURPOSE OF REVIEW

➤ To protect the interests of the public

A qualified review appraiser should examine all appraisals to estimate the amount to be offered by the Iowa DOT as just compensation, to assure that they are fair, reasonable and meet applicable appraisal requirements.

➤ To protect the interests of the property owner

The review appraiser must also assure the appraisal analysis is fair and reasonable as it relates to the effect of the proposed acquisition on the remaining property. This includes review for the existence of uneconomic remnants.

➤ To provide an approved estimate of just compensation

The review appraiser shall establish an estimate of just compensation to be offered for the purchase of property under eminent domain.

- To provide consistency of values

In projects involving multiple properties and/or ownerships, the review appraiser is to maintain a logical consistency from property to property in the amounts paid for land, improvements and damages. Of special concern are projects using more than one appraiser and the differences resulting from the independent analyses of neighboring properties.

- To maintain a high quality appraisal product

Prior to the acceptance of an appraisal, the review appraiser shall request the appraiser to make all necessary corrections and revisions. The review appraiser may provide technical advice and instruction, or other training, in order to improve the appraiser's technique and ability. The review appraiser may recommend reference material or courses of study to improve an appraiser's product. At the conclusion of a project the review appraiser will issue a written critique of the appraiser's performance as an aid to the appraiser and to the Agency administration.

ASSIGNMENT OF REVIEW APPRAISERS

Appraisal review assignments are the responsibility of the Chief Appraiser or Appraisal Production Coordinator. Assignments may be on a project or parcel basis. Parcel files, appraisals and supporting data are to be submitted for review.

REVIEW APPRAISER'S DUTIES

- REPORT REVIEW AND ACCEPTANCE

The review appraiser independently performs a review of all appraisals and other reports submitted to determine the soundness of the appraiser's opinion of fair market value, the adequacy of the appraiser's supporting data and documentation, the logic of the appraiser's analysis, whether the appraisal report conforms to the provisions of this manual, if adequate consideration was given to all compensable items of damage and to verify the exclusion of items non-compensable under law.

The appraisal review function consists of an all-inclusive evaluation of appraisals. Factually presented data and calculations are spot checked for accuracy (sometimes by a subordinate technician). Appraisal reports are to be critically evaluated in all respects with validity and reasonableness of the estimate of just compensation being a principal focal point. Subject properties should be inspected by the review appraiser along with the comparable sales and other data presented in the appraisal report.

If additional documentation, correction, or revision to an appraisal report is required, the review appraiser may return the appraisal report and require the appraiser to make the appropriate changes before resubmitting for continued review. When returning the appraisal report, the appraiser must be made clearly aware of the issues found by the review appraiser and clarifications, corrections or additions requested. This may be done either by letter or verbally with a memo to file. If there is insufficient time to allow the appraiser to make changes or when the review appraiser and appraiser are not in agreement, the review appraiser shall provide the corrections or additions necessary, as part of the written review.

The review appraiser shall reject, accept and/or approve all appraisals submitted and shall approve an estimate of just compensation for the property under appraisal. The approved value may be the same or different from that of the appraisal report. When a value different from that of the appraisal is approved, the review report shall document the new estimate of value. Likewise, the review appraiser may submit a different breakdown of estimated just compensation.

The review appraiser may accept all, or parts of one or more of the submitted appraisal reports, or reject the same depending upon his/her independent findings and conclusions. The review appraiser may accept or reject the appraisal reports in total.

When the review appraiser establishes an independent value conclusion in lieu of approving the value conclusion of a submitted appraisal report, he/she becomes the appraiser, but no subsequent independent appraisal review is required. The review appraiser will discuss the appraisal deficiencies with the appraiser prior to establishing an independent value estimate.

➤ ESTIMATE OF JUST COMPENSATION

The review appraiser has the authority and responsibility to independently approve an estimate of just compensation for the acquisition of property. The approved value may be the same or different from that of the appraisal report. When a value different from that of an appraisal report is approved, the review report shall document a new estimate of just compensation.

On the basis of additional information, the review appraiser may subsequently adjust the approved estimate of just compensation by preparation of a new review report giving reasons for changes made. An appraisal prepared for property owners and submitted to the Appraisal Section may also be considered when the review appraiser reconsiders the approved estimate of just compensation.

➤ ALLOCATION OF JUST COMPENSATION

Iowa Code Section 6B.45 requires that the property owner be provided “an itemization of the appraised value of the real property or interest in the property, any buildings on the property, all other improvements including fences, severance damages and loss of access”. The review appraiser is to allocate an estimate of just compensation, concluded in a before and after or a Value Finding appraisal report, into the categories noted on Form 633-102, “Allocation of Just Compensation”. The allocation is to be based upon either, the appraiser’s conclusions and opinions stated in the report, or the review appraiser’s interpretation of the market data.

This form must be completed and included in all appraisal review reports that involve a partial acquisition. The total estimate of just compensation indicated on this form must be the same as that indicated on Form 633-101 (Appraisal) or 401 (Residential Appraisal).

The Allocation of Just Compensation is not part of the appraisal process, but is to be completed after the appraisal is completed. The inclusion of this form provides for statutory and accounting requirements.

➤ WRITTEN REVIEW

The review appraiser shall prepare a written review for each parcel where an acquisition appraisal has been prepared. Review Form 633-501 shall be used. All information requested in that form shall be furnished, or be indicated as not applicable. Immediately following the written narrative portion of the report, the form shall be signed by the review appraiser and dated.

The review appraiser’s report shall identify the appraisal reports reviewed, document the findings and conclusions reached during the review process and identify each appraisal report as rejected, accepted (meets all requirements, but not selected as approved) or approved as the basis for the amount believed to be just compensation.

The review appraiser should not sign an approval box at any place on the acquisition appraisal. It should be noted that a signature at any place on the acquisition appraisal may hold that signatory fully responsible for the appraisal.

A signed and dated "Certificate of Review Appraiser", Form 633-502 shall be furnished on all appraised parcels.

When one of two or more appraisal estimates or a value different from that of any appraisal report is approved, the review appraiser’s report shall explain the estimate of just compensation. If the review appraiser’s own value is approved, the review appraiser

shall prepare Appraisal Forms 633-101 or 633-201, sign it as review appraiser, and place copies in both the office and field files. No subsequent review is required.

When written reviews are prepared, an original and one copy of the review report, together with certification, shall be furnished. The original copy is to be bound in the permanent office file and one copy placed in the field file.

At the completion of a parcel review, the review appraiser shall complete a "Parcel File Check Sheet", Form 633-503, bind together the original copies of all available appraisal information requested thereon, and deliver the package to the Right of Way Records Center to be placed in the permanent file. A copy of the same appraisal information shall be placed in the field file and delivered to the Acquisition Supervisor accompanied by a transmittal memo, Form 633-603.

TRANSMITTAL OF REVIEWED REPORTS

➤ Original Appraisals

Upon completion of the appraisal review, the original copy of all appraisal information is bound and delivered to the Right of Way Records Center by the review appraiser. A field file including copies of all appraisal material, together with the appraisal to be mailed to the property owner, is delivered to the Acquisition Supervisor by the review appraiser. If a contract review appraiser is used, the contract review appraiser shall submit all appraisal copies together with the file and all necessary supporting data and reports to the Chief Appraiser. Subsequent reviews for revisions shall be submitted in the same manner.

➤ Subsequent Appraisals

Appraisals obtained after the condemnation date will usually be reviewed by the same person who reviewed the original appraisal. They shall be reviewed in the same manner as pre-condemnation appraisals. A copy of any subsequent report shall be transmitted to General Counsel.

➤ Special Reports

Special reports such as estimates, feasibility studies, etc., or special appraisal reports, shall be delivered to the requesting authority unless otherwise instructed. A copy is retained by the Right of Way Office. These submittals shall be accompanied by a letter of transmittal, with a copy forwarded to the Chief Appraiser.

➤ Local Public Agency Appraisals

No appraisals or appraisal reviews shall be conducted for Local Public Agencies, except as directed by the Right of Way Director, following a formal written request from a Local Public Agency Coordinator in the Property Management Section. Appraisals written for, or reviewed for, local public agencies shall be delivered to the LPA Coordinator. Appraisal reviews shall be in the same manner as prescribed for the Iowa DOT. If requested by the LPA Coordinator, the appraisals and appraisal reviews shall be duplicated with a copy delivered to the Right of Way Records Center.

PERFORMANCE CRITIQUE

Upon completion of an appraisal project, or following completion of a grouping of appraisals, the review appraiser shall write a memorandum to the appraiser critiquing his/her performance.

The memorandum is intended to be a tool to help the appraiser improve valuation techniques, analysis, and productivity on future assignments. The memo should address both the strengths and weaknesses that were noted by the review appraiser, and offer suggestions as to how the appraiser can improve in future. The review appraiser must understand that an appraiser cannot be expected to correct deficiencies unless informed of them.

A copy of the memo is to be placed in the Appraisal Section Project File. A copy of the memo will be placed in a Fee Appraiser performance file and a copy forwarded to the Iowa DOT Consultant Coordinator.

MONTHLY REPORT

The reviewer shall maintain a monthly record of project number, parcel number, appraiser's name, number of appraisals reviewed, and date submitted.

SUGGESTED APPRAISAL REVIEW PROCEDURE

- ❖ Ensure the inclusion of required forms, addenda and exhibits.
- ❖ Ensure the calculations and mathematical procedures are correct.
- ❖ Physically examine the subject and all the primary market comparables cited.
- ❖ Analyze the data and conclusions for adequacy, logic and procedure.
- ❖ Determine if the appraisal adequately addresses issues.
- ❖ Compare the documentation and report requirements with those in the appraisal.
- ❖ Determine if the manual requirements and contract instructions have been fulfilled.
- ❖ Determine if there are uneconomic remnants.
- ❖ Determine if any non-compensable items have been included in the report.
- ❖ Reach an independent opinion of the probable range of market value and just compensation, confirming or refuting the value(s) in appraisal.
- ❖ Seek clarifications or corrections. (Return all copies of appraisal.)
- ❖ Reexamine the corrected appraisal.
- ❖ Examine specialty reports. Check for sufficient identification for each item noted.
- ❖ Determine if a monetary duplication between the appraisal and specialty reports exists.
- ❖ Write the review confirming an amount to be offered as just compensation and noting the relationship between the specialty report and the appraisal. Complete a new Form 633-101 if required, to incorporate the appraisal and specialty report.
- ❖ Complete the required Appraisal Review Forms. When approving one of two or more appraisal reports, give specific reasoning for selection.
- ❖ Complete Form 633-102 “Allocation of Just Compensation” for inclusion in the Review Appraiser’s Report.

- ❖ Prepare residential portion breakouts for Relocation Assistance use and an estimate of economic rent, if requested.
- ❖ Transmit completed files to the Right of Way Records Center and the Acquisition Supervisor.
- ❖ Write the Appraiser's Critique, placing one copy in the Appraisal Project File, and mailing one copy to the Appraiser.
- ❖ Retain copies of review notes, reports, letters and critiques for personal files. Retain copies of any item or document considered of crucial importance in the event of future reference need.

THE APPRAISAL WAIVER PROCESS

The Appraisal Waiver process estimates fair and just compensation through the use of a compensation estimate. The compensation estimate is not an appraisal.

The compensation estimate is a one-page estimate, which uses Form 633-402 to report an estimate of compensation for simple, uncomplicated acquisitions when the need for an appraisal is waived because compensation to the property owner is estimated not to exceed \$10,000. This amount is exclusive of payments for cost of tillage, fertilizer, growing crops, agricultural right of way fence, and the legislated \$20 per lineal foot of lengthened residential driveway. Although this is not an appraisal, and it is therefore not a requirement that the estimator offer the property owner, or the owner's representative an opportunity to be present during the property inspection, it is strongly recommended.

Please note that the selection of parcels for which the need for an appraisal is being waived is made before any parcels are assigned to specific appraisers. (Refer to "Transmittal of Minor Acquisition Parcels" on Page 10)

In order to determine whether an acquisition is "uncomplicated", the following questions should be answered:

- Is the acquisition over \$10,000?
- Is the acquisition anything more than a strip acquisition?
- Are buildings, wells, signs, etc. affected?
- Is the acquisition severing any buildings from the remainder?
- Are trees, shrubs, or any other landscaping involved?
- Is the proposed right of way line enough closer to any building after the acquisition to require analysis of possible proximity damages?
- Is access to the property changed or limited?
- Is the current highest and best use of property going to be changed as a result of the acquisition?
- Does a significant amount of the total compensation involve items other than land value?
- Are there any borrow areas?

- Is more land than actually needed being acquired (landlocked or uneconomic remnant)?
- Are there any other considerations that complicate the valuing of this parcel?

If one of these questions is answered "yes", the acquisition could still be considered as an "uncomplicated" acquisition.

A single "yes" answer would need further analysis to decide whether the indicated situation causes the acquisition to become complicated and thus require the acquisition to be appraised.

Multiple "yes" answers would indicate that the acquisition may or may not be considered to be uncomplicated and must be appraised.

This list of questions is not intended to be all-inclusive. The key to the use of this method of determining compensation is that impacts of the acquisition are minimal or can be easily measured by their cost to cure **and that the value of the land acquired plus any damages to the remaining property does not exceed \$10,000.**

All items of acquisition are to be listed on Form 633-402 including those for which compensation is zero. Access control, when acquired, should be listed as "Access Rights" under "Other Considerations."

The basis for land value estimates shall be any one of the following in descending order of acceptability.

- Identification of at least one specific sale of a similar property in the general community. This sale must be identified so that the property can be located by a reader. Sales price per comparable unit must also be stated.
- Reference to at least one specific sale or a value analysis indicated in a "Project Data Book" recently prepared on any project in the general community. If a data book is used on a project different from the subject, that project number must be listed.
- A listing of a similar property, provided that adjustments are analyzed to estimate current cash sale price. These may be supported by a percentage adjustment from a past history of sales versus listing. An estimator may interview local real estate brokers, bankers, etc. to ascertain listing adjustments. Names of persons interviewed and city in which they are located must be reported.
- The estimator will also acquire the necessary right of way upon completion of the estimate. However, administrative approval must be obtained before payment is made to the property owner. Administrative approval must be provided by someone other than the person carrying out the waiver of appraisal process.

Administrative approval may be granted by the Acquisition Supervisor, Acquisition Production Coordinator, Review Appraiser, Appraisal Production Coordinator, or the Chief Appraiser. Their responsibilities in this capacity are to prevent inconsistency on a project and to ensure that there has been an adequate investigation of the local market to support estimates.

**APPENDIX
Of
EXHIBITS**

APPRAISAL ADMINISTRATION MANUAL

Form 633-001 – Contract for Appraisal Services	Exhibit 1
Contract for Review Appraisal Services	Exhibit 2
Form 632-021 – Request for ROW Design Revision.....	Exhibit 3
Form 633-503 – Parcel File Check Sheet	Exhibit 4
Form 633-602 – Review Appraiser’s Monthly Report.....	Exhibit 5
Form 633-604 – Transmittal of Parcel File for Negotiation.....	Exhibit 6
Form 633-402 – Compensation Estimate (Appraisal Waiver Process)	Exhibit 7
Appraisal Waiver Determination.....	Exhibit 8
Appraisal Assignment Letter.....	Exhibit 9
Contract Acceptance Letter	Exhibit 10
Supplemental Contract Letter.....	Exhibit 11
Monthly Production Report Format	Exhibit 12

**Engineering Bureau
Right of Way Office
Ames, Iowa 50010**

Contract Number

CONTRACT FOR APPRAISAL SERVICES

Project No. in County, Iowa

, Iowa

THIS AGREEMENT, entered into this _____ day of _____, by and between the Iowa Department of Transportation, Ames, Iowa, (hereinafter called the Department) and _____ (hereinafter called the Appraiser).

WHEREAS, the Department requires adequate and competent appraisals for the purpose of acquiring property and/or property rights in connection with the above identified highway project; and

WHEREAS, the Appraiser certifies to be qualified and willing to prepare such appraisals in accordance with the standards and criteria hereinafter set forth, and pursuant to the terms, provisions and conditions hereof,

NOW THEREFORE, the parties hereto do mutually agree as follows:

- 1. ASSIGNMENT AND PAYMENT** – The appraiser shall prepare, sign and furnish to the Department a separate, written appraisal report following accepted appraisal principles and techniques in accordance with Iowa law, the Iowa Department of Transportation's and the Department's "Appraisal Policy & Procedures Manual"; and in compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended, in accordance with Part 24 of Title 49 of the Code of Federal Regulations, and under the Jurisdictional Exception Rule and Supplemental Standards contained in the Uniform Standards of Professional Appraisal Practice (USPAP), for each parcel listed in the following schedule of Properties and Fees. It is agreed and understood that the fee as shown herein includes acceptance through the Review Process, with corrections and additions as or if necessary.

Parcel Number

Owner

Type of Appraisal

Appraisal Fee

And, the Department, except as otherwise herein provided, shall pay the Appraiser as itemized above for his professional services rendered under the terms of this agreement. Both parties agree that the amount of fee per parcel represents a fair payment for services rendered, based on the scope and complexity of the assignment, skills and qualifications of the Appraiser, number of parcels included, amount of information supplied by the State, time allowance for completion and other applicable criteria. The Appraiser agrees that the fee estimate is not based on a percentage of the appraised value of any property involved. Except as otherwise provided under the terms of this agreement payment shall be made after the Review Process and the acceptance of the appraisal. Payments shall be requested in writing by the Appraiser.

2. **LATE PENALTY** – If any appraisal report is received by the Iowa Department of Transportation after the specified completion date a late penalty of 2 ½% per working day will be assessed and deducted from the appraiser's fee as contracted for that property and, the appraiser agrees that the net payment constitutes full payment for services rendered. However, a grace period of 5 working days after the completion date will be applied and the late penalty excused on any appraisal report received within that period but, if any appraisal report is received on or after the 6th working day then the full penalty, computed from the original completion date, will be deducted from the appraisal fee prior to payment. Working days are defined as those days that the Iowa Department of Transportation offices are open for business.
3. **PROPERTY UNIT/LEASEHOLD/LEASED FEE ESTATES** – Each parcel of property enumerated in Paragraph 1 intends to incorporate all contiguous real estate and real estate in reasonable proximity thereof that is under the same ownership, leasehold and operating unit, or shall incorporate the property specified by the Department in their definition of the appraisal problem. It is understood that the data provided to the appraiser is based on preliminary information and is subject to revision if the total property unit is subsequently determined to be different than that described in the accompanying Parcel Files. The Appraiser must verify in the field the true extent of the property unit and notify the Department's Chief Appraiser if it is found to be different than described in the furnished data. The Chief Appraiser may revise the assignment accordingly.
4. **ASSIGNMENT REVISIONS** – When changes are made in the extent of the property unit to be appraised or, when revisions are made in the proposed Right of Way acquisition or, when changes are made in the appraisal assignment for other reasons, the Department's Chief Appraiser may, after consultation with the appraiser, adjust the amount of the appraiser's fee, either increased or decreased, in accordance with the complexity of, and time allowed for, the revised appraisal assignment. Any adjustment made in either the appraiser's fee or the completion date shall be documented by the Chief Appraiser in the form of a letter to the appraiser.
5. **COMMENCE WORK** – The Appraiser shall not begin work on the appraisal assignment until after the contract has been approved by a proper representative of the Department and a completely executed copy has been returned to the appraiser with notice to proceed.
6. **COMPLETION DATE** – The delivery date for completed appraisal reports under the terms of this agreement shall be on or before _____. Reports shall be considered delivered when in the possession of the Department, or such other location as specified in writing by the Department. In the event that the delivery date is extended for a given parcel, the report shall be delivered on or before the date specified in the extension. Any extension of the Appraiser's performance time shall be made in writing by the Department's Chief Appraiser and shall not entitle the Appraiser to any increase in the Schedule of Fees enumerated in Paragraph 1 unless otherwise authorized in writing.
7. **DOCUMENTATION** – No report shall be considered complete unless it is documented in a manner consistent with the appraisal assignment as specified in the Department's "Appraisal Operational Manual" and submitted in triplicate (original and two copies). If the Department's Review Appraiser finds that the report is either deficient or incomplete, the Appraiser shall furnish all requested supplemental data necessary to correct any deficiency or to complete any report in a manner

consistent with the documentation standard of the appraiser assignment. No additional payment shall be made for any supplemental data furnished by the appraiser to correct a deficiency or to complete a report.

8. **EXPERT WITNESS** – The Appraiser shall if requested by the Department confer, shall if required appear and shall if called testify either in court or before administrative bodies as an expert witness for the State of Iowa in support of any completed appraisal report contracted for herein. However, payment for such appearances shall not be included in the Schedule of Fees listed in Paragraph 1, but shall be made separately including any necessary preparation and travel time computed on the basis of \$ _____ per hour for actual hours spent. Such payment will be made when the Appraiser delivers to the Department's General Counsel Office a signed request for payment in duplicate. All such requests for payment shall be identified in the manner provided for in Paragraph 1 herein, and in addition shall itemize the date, hours and travel time for which payment is requested. The contract appraiser shall, if requested by the Department, attend Condemnation Hearings as the appraiser of record and as an expert witness for the State of Iowa in support of any completed appraisal report contracted for. Payment for such appearances shall be computed on the basis of the hourly rate for an expert witness as stated above.
9. **CONFIDENTIAL AND INDEPENDENT WORK** – The Appraiser will prepare all appraisals made hereunder independent of any other Appraiser employed by the Department in the same work and will not sublet, assign or otherwise transfer any of the work to other persons or firms except as otherwise provided herein. Where necessary the Appraiser may employ a specialist to furnish specific value or cost information. The Appraiser will not furnish to any other person, corporation, company or agency, except on proper order of court or authorized directive from the Department, a copy of any appraisal or any of the information contained therein.
10. **SUBLETTING WORK** - It is acceptable for the appraiser to use the talents and services of all employees, however, subletting the appraisal assignment to another firm or individual is prohibited.
11. **RESPONSIBLE CONDUCT** – It is understood that the Appraiser assumes full and unqualified responsibility for all claims and liability due to his activities or those of his agents, representatives or employees. The Appraiser hereby releases and agrees to save and hold the Department harmless from all loss and damage of whatsoever nature arising from or growing out of his activities under this agreement.
12. **CANCELLATION** – It is understood and agreed that the Department's Chief Appraiser may at any time cancel or terminate this agreement for any good and reasonable cause. Such cause includes, but is not limited to, failure of the Appraiser to fulfill or discharge any of the duties or obligations or to otherwise perform in accord with terms of this agreement. The Department shall cancel the agreement by sending notice of cancellation to the Appraiser by certified mail. In the event the agreement is cancelled the sole claim or title to any work product either partially or fully completed shall vest in and shall be delivered to the Department. Upon the Appraisers delivery of the work product and a request for payment itemized by date and hours invested the Department shall determine the amount of payment due. Payment will be made on the basis of the schedule of fees for completed appraisal reports and on the basis of prorated time for partially completed reports. In no case shall payment exceed the greater of either the schedule of fees specified in Paragraph 1 or revisions in Paragraph 4.
13. **NONDISCRIMINATION** – During the performance of this contract, the Appraiser (hereinafter referred to as the "contractor"), for itself, its assignees and successors in interest agrees as follows:
 - (a) **Compliance with Regulations:** The contractor shall comply with the Regulations relative to nondiscrimination and Federally-assisted programs of the Department of Transportation, Title 49, Code of Federal Relations, Part 21, as they may be amended from time to time, (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.

- (b) **Nondiscrimination:** The contractor, with regard to the work performed by it during the contract, shall not discriminate on the grounds of sex, race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.
 - (c) **Solicitations for Subcontracts, Including Procurements of Materials and Equipment:** In all solicitations either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials or equipment, each potential subcontractor or supplier shall be notified by the contractor of the contractor's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of sex, race, color or national origin.
 - (d) **Information and Reports:** The contractor will provide all information and reports required by the Regulations, or orders and instructions issued pursuant thereto, and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Department of Transportation or the Federal Highway Administration to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information, the contractor shall so certify to the Department of Transportation, or the Federal Highway Administration as appropriate, and shall set forth what efforts it has made to obtain the information.
 - (e) **Sanctions for Noncompliance:** In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the Department of Transportation shall impose such contract sanctions as it or the Federal Highway Administration may determine to be appropriate, including, but not limited to:
 - (1) withholding of payments to the contractor under the contract until the contractor complies, and/or
 - (2) cancellation, termination or suspension of the contract, in whole or in part.
 - (f) **Incorporation of Provisions:** The contractor will include the provisions of Paragraph (1) through (6) in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations, order, or instructions issued pursuant thereto. The contractor will take such action with respect to any subcontract or procurement as the Department of Transportation or the Federal Highway Administration may direct as a means of enforcing such provisions including sanctions for noncompliance: provided, however, in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the contractor may request the Department to enter into such litigation to protect the interests of the Department, and, in addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.
14. **DISPUTES** – Any dispute concerning a question of fact in connection with or relative to this Agreement or the performance of any contractual obligation by either the Appraiser or the Department's Chief Appraiser shall be referred to the Department's Right of Way Director. The Right of Way Director shall hear and consider all of the evidence and notify the Appraiser in writing of the decision. The decision of the Right of Way Director shall be final and conclusive unless, within 30 days from receipt of notification of such decision the Appraiser shall appeal in writing to the Department's Engineering Bureau Director who will review and consider both the evidence and the decision. The Engineering Bureau Director shall make a final, conclusive and binding determination and furnish the Appraiser a written copy thereof.
15. **SIGNATURES** – In the event the Appraiser is a partnership or firm or corporation, this agreement shall bind that organization and every employee who will actually prepare an appraisal or render

valuation information as a part thereof when appropriate officers have affixed their signature hereto. If a corporation is one of the parties to this agreement, then the date of incorporation and the State in which it is incorporated shall be indicated hereon.

Contracting Appraiser is a: (please circle)

Individual

Partnership

Firm

Corporation

If a Corporation, indicate State in which incorporated _____ and date _____

Company Name _____

By _____

Title _____

**Iowa Department of Transportation
Engineering Bureau**

Approved Recommended:

Approved:

By _____
(Appraisal Production Coordinator)

By _____
(Chief Appraiser)

Date _____

Date _____

Engineering Bureau
Right of Way Office
Ames, Iowa 50010

Contract Number

CONTRACT FOR REVIEW APPRAISAL SERVICES

Project No. _____ in _____ County, Iowa

_____, Iowa

THIS AGREEMENT, entered into this _____ day of _____, by and between the Iowa Department of Transportation, Ames, Iowa, (hereinafter called the Department) and _____ (hereinafter called the Review Appraiser).

WHEREAS, the Department requires adequate and competent review appraisals for the purpose of acquiring property and/or property rights in connection with the above identified highway project; and

WHEREAS, the Review Appraiser certifies to be qualified and willing to prepare such review appraisals in accordance with the standards and criteria hereinafter set forth, and pursuant to the terms, provisions and conditions hereof,

NOW THEREFORE, the parties hereto do mutually agree as follows:

1. **ASSIGNMENT AND PAYMENT** – The review appraiser shall prepare, sign and furnish to the Department a separate, written review appraisal report following accepted appraisal principles and techniques in accordance with Iowa law, the Iowa Department of Transportation's and the Department's "Appraisal Operational Manual"; and in compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended, in accordance with Part 24 of Title 49 of the Code of Federal Regulations, and under the Jurisdictional Exception Rule and Supplemental Standards contained in the Uniform Standards of Professional Appraisal Practice (USPAP), for each parcel listed in the following schedule of Properties and Fees. It is agreed and understood that the fee as shown herein includes a Review Process through the acceptance, with corrections and additions as or if necessary, and the subsequent recommendation of Just Compensation; or the rejection of the appraisal as unacceptable with adequate documentation as to said unacceptability. If the appraisal is uncorrectable or unacceptable, then the Department will determine if additional acquisition appraisals are to be secured, or may, at their discretion, retain the Review Appraiser to proceed to furnish an acceptable documented acquisition appraisal at an additional fee to be negotiated. (In the case of a staff review appraiser, this procedure is automatic, however, the assumption in retaining a contract review appraiser is that all appraisals are, with the possibility of necessary and obtainable corrections and/or additions, acceptable).

Parcel Number

Type of Appraisal

Review Appraisal Fee

The Department, except as otherwise herein provided, shall pay the Review Appraiser as itemized above for his professional services rendered under the terms of this agreement. Both parties agree that the amount of fee per parcel represents a fair payment for services rendered, based on the scope and complexity of the assignment, skills and qualifications of the Review Appraiser, number of parcels included, amount of information supplied by the State, time allowance for completion and other applicable criteria.

The Review Appraiser agrees that the fee estimate is not based on a percentage of the appraised value of any property involved. Except as otherwise provided under the terms of this agreement payment shall be made for a recommendation of Just Compensation or the rejection of the appraisal as unacceptable. Payments shall be requested in writing by the Review Appraiser.

2. **LATE PENALTY** – If any initial review appraisal report is received by the Iowa Department of Transportation after the specified completion date a late penalty of 2 ½% per working day will be assessed and deducted from the review appraiser's fee as contracted for that property and, the review appraiser agrees that the net payment constitutes full payment for services rendered. However, a grace period of 5 working days after the completion date will be applied and the late penalty excused on any review appraisal report received within that period but, if any review appraisal report is received on or after the 6th working day then the full penalty, computed from the original completion date, will be deducted from the review appraisal fee prior to payment. Working days are defined as those days that the Iowa Department of Transportation offices are open for business.
3. **PROPERTY UNIT/LEASEHOLD/LEASED FEE ESTATES** – Each parcel of property enumerated in Paragraph 1 intends to incorporate all contiguous real estate and real estate in reasonable proximity thereof that is under the same ownership, leasehold and operating unit, or shall incorporate the property specified by the Department in their definition of the appraisal problem. The review appraisal must consider the appropriateness of the acquisition appraiser's determination of the parent parcel, and the acquisition appraiser's treatment of Leased Fee and Leasehold Estates, if appropriate.
4. **ASSIGNMENT REVISIONS** – When changes are made in the extent of the property unit to be appraised or, when revisions are made in the proposed Right of Way acquisition or, when changes are made in the review appraisal assignment for other reasons, subsequent to the initial completion of the acquisition appraisal and prior to the completion of the initial review appraisal, the Department will be responsible for all arrangements with the Acquisition Appraiser for all necessary changes as a result of said revisions.
5. **COMMENCE WORK** – The Review Appraiser shall not begin work on the review appraisal assignment until after the contract has been approved by a proper representative of the Department and a completely executed copy has been returned to the review appraiser with notice to proceed.
6. **COMPLETION DATE** – The delivery date for completed initial review appraisal reports under the terms of this agreement shall be on or before _____. Review appraisal reports shall be considered delivered when in the possession of the Department, or such other location as specified in writing by the Department. In the event that the delivery date is extended for a given parcel, the report shall be delivered on or before the date specified in the extension. Any extension of the Review Appraiser's performance time shall be made in writing by the Department and shall not entitle the Review Appraiser to any increase in the Schedule of Fees enumerated in Paragraph 1 unless otherwise authorized in writing.
7. **DOCUMENTATION** – **No review appraisal report shall be considered complete unless it is documented in a manner consistent with the review appraisal assignment as specified in the Department's "Appraisal Operational Manual" and submitted in triplicate (original and two copies).** If the Department's Review Appraiser finds that the report is either deficient or incomplete, the Review Appraiser shall furnish all requested supplemental data necessary to correct any deficiency or to complete any report in a manner consistent with the documentation standard of the review

appraisal assignment. No additional payment shall be made for any supplemental data furnished by the review appraiser to correct a deficiency or to complete a report.

8. **EXPERT WITNESS** – The Review Appraiser shall if requested by the Department confer, shall if required appear and shall if called testify either in court or before administrative bodies as an expert witness for the State of Iowa in support of any completed review appraisal report contracted for herein. However, payment for such appearances shall not be included in the Schedule of Fees listed in Paragraph 1, but shall be made separately including any necessary preparation and travel time computed on the basis of \$ _____ per hour for actual hours spent. Such payment will be made when the Review Appraiser delivers to the Department's General Counsel Office a signed request for payment in duplicate. All such requests for payment shall be identified in the manner provided for in Paragraph 1 herein, and in addition shall itemize the date, hours and travel time for which payment is requested.
9. **CONFIDENTIAL AND INDEPENDENT WORK** – The Review Appraiser will prepare all review appraisals made hereunder independent of any other Appraiser employed by the Department in the same work and will not sublet, assign or otherwise transfer any of the work to other persons or firms except as otherwise provided herein. Where necessary the Review Appraiser may employ a specialist to furnish specific value or cost information. The Review Appraiser will not furnish to any other person, corporation, company or agency, except on proper order of court or authorized directive from the Department, a copy of any review appraisal or any of the information contained therein.
10. **SUBLETTING WORK** - It is acceptable for the Review Appraiser to use the talents and services of all employees, however, subletting the review appraisal assignment to another firm or individual is prohibited.
11. **RESPONSIBLE CONDUCT** – It is understood that the Review Appraiser assumes full and unqualified responsibility for all claims and liability due to his activities or those of his agents, representatives or employees. The Review Appraiser hereby releases and agrees to save and hold the Department harmless from all loss and damage of whatsoever nature arising from or growing out of his activities under this agreement.
12. **CANCELLATION** – It is understood and agreed that the Department's Chief Appraiser may at any time cancel or terminate this agreement for any good and reasonable cause. Such cause includes, but is not limited to, failure of the Review Appraiser to fulfill or discharge any of the duties or obligations or to otherwise perform in accord with terms of this agreement. The Department shall cancel the agreement by sending notice of cancellation to the Review Appraiser by certified mail. In the event the agreement is cancelled the sole claim or title to any work product either partially or fully completed shall vest in and shall be delivered to the Department. Upon the Review Appraisers delivery of the work product and a request for payment itemized by date and hours invested the Department shall determine the amount of payment due. Payment will be made on the basis of the schedule of fees for completed review appraisal reports and on the basis of prorated time for partially completed reports. In no case shall payment exceed the greater of either the schedule of fees specified in Paragraph 1 or revisions in Paragraph 4.
13. **NONDISCRIMINATION** – During the performance of this contract, the Review Appraiser (hereinafter referred to as the "contractor"), for itself, its assignees and successors in interest agrees as follows:
 - (a) **Compliance with Regulations:** The contractor shall comply with the Regulations relative to nondiscrimination and Federally-assisted programs of the Department of Transportation, Title 49, Code of Federal Relations, Part 21, as they may be amended from time to time, (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.

- (b) **Nondiscrimination:** The contractor, with regard to the work performed by it during the contract, shall not discriminate on the grounds of sex, race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.
- (c) **Solicitations for Subcontracts, Including Procurements of Materials and Equipment:** In all solicitations either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials or equipment, each potential subcontractor or supplier shall be notified by the contractor of the contractor's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of sex, race, color or national origin.
- (d) **Information and Reports:** The contractor will provide all information and reports required by the Regulations, or orders and instructions issued pursuant thereto, and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Department of Transportation or the Federal Highway Administration to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information, the contractor shall so certify to the Department of Transportation, or the Federal Highway Administration as appropriate, and shall set forth what efforts it has made to obtain the information.
- (e) **Sanctions for Noncompliance:** In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the Department of Transportation shall impose such contract sanctions as it or the Federal Highway Administration may determine to be appropriate, including, but not limited to:
 - (1) withholding of payments to the contractor under the contract until the contractor complies, and/or
 - (2) cancellation, termination or suspension of the contract, in whole or in part.
- (f) **Incorporation of Provisions:** The contractor will include the provisions of Paragraph (1) through (6) in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations, order, or instructions issued pursuant thereto. The contractor will take such action with respect to any subcontract or procurement as the Department of Transportation or the Federal Highway Administration may direct as a means of enforcing such provisions including sanctions for noncompliance: provided, however, in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the contractor may request the Department to enter into such litigation to protect the interests of the Department, and, in addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

14. **DISPUTES** – Any dispute concerning a question of fact in connection with or relative to this Agreement or the performance of any contractual obligation by either the Review Appraiser or the Department's Chief Appraiser shall be referred to the Department's Right of Way Director. The Right of Way Director shall hear and consider all of the evidence and notify the Review Appraiser in writing of the decision. The decision of the Right of Way Director shall be final and conclusive unless, within 30 days from receipt of notification of such decision the Review Appraiser shall appeal in writing to the Department's Engineering Bureau Director who will review and consider both the evidence and the decision. The Engineering Bureau Director shall make a final, conclusive and binding determination and furnish the Review Appraiser a written copy thereof.

Contracting Review Appraiser is an (please circle)

Individual

Partnership

Firm

Corporation

If a Corporation, indicate State in which incorporated _____ and date _____

Company Name _____

By _____

Title _____

**Iowa Department of Transportation
Engineering Bureau**

Approved Recommended:

Approved:

By _____
(Appraisal Production Coordinator)

By _____
(Chief Appraiser)

Date _____

Date _____



**OFFICE of RIGHT OF WAY
REQUEST FOR R.O.W. REVISION**

Date _____ Project Number _____

Parcel Number _____ County _____

Ownership _____

Revision requested by: _____

Reason for revision:

Approved by: _____
ROW Design Supervisor

Date _____

Approved by: _____
ROW Director

Date _____

Approved by: _____
Access Administrator

Date _____

Approved by: _____
District Engineer

Date _____

Revision made by: _____
ROW Design Technician

Date _____

Appraisal Section**Parcel File Check Sheet**

Project No.

Parcel No.

I. Review Prior to Negotiation

- _____ A. Number of Appraisals Obtained
- ☐ B. Appraisal 633-101
- ☐ C. Allocation of Just Compensation 633-102
- ☐ D. Appraiser's Certification 633-204
- ☐ E. Invitation 633-205
- ☐ F. Appraisal 633-401
- ☐ G. Reviewer's Report 633-501
- ☐ H. Reviewer's Certification 633-502
- ☐ I. Appraisal Record of Contacts 634-052

Comments:

Review Appraiser's Signature

Date**II. Preliminary Inspection**

- ☐ A. Order for Preliminary Inspection
- ☐ B. Assignment of Preliminary Inspection
- ☐ C. Completion of Preliminary Inspection

Signature

Date**III. Review of Subsequent Appraisal**

- ☐ A. 633-101 and 633-102
- ☐ B. Appraiser's Certification – 633-204
- ☐ C. Review Appraiser's Report – 633-501
- ☐ D. Review Appraiser's Certification – 633-502

Comments:

Review Appraiser's Signature

Date

IOWA DEPARTMENT OF TRANSPORTATION

To Office: Acquisition Section Date:
Attention: Supervisor County:
From: Appraisal Section Project No.:
Office: Appraisal
Subject: Transmittal of parcels for negotiation

Parcel -

Parcel -

Review Appraiser

Attach:
c: Production Coordinator

Form NO. 633-402
Revised 12-08-00

Compensation Estimate

Iowa Department of Transportation

ENGINEERING BUREAU
OFFICE OF RIGHT OF WAY
Ames, Iowa 50010

Parcel No. _____ Project No. _____ County _____

Record Owner(s): _____

Owner's Mailing Address: _____

Tenant(s): _____

Tenant(s) mailing address: _____

Subject Property address: _____

This property is described as: _____

Basis for land value estimate: _____

Land to be acquired: Fee title 0.00 acres @ \$ 0.00 = \$ 0.00

Permanent Easement 0.00 acres @ \$ 0.00 = \$ 0.00

Other considerations: _____ 0.00

Total Estimate = \$ 0.00

Certification:

I hereby certify that I am familiar with the property which is the subject of this estimate, that the estimate is based upon data contained in the files of the Agency, that I have no direct or indirect present or contemplated future personal interest in this property or in any benefit from the acquisition of this property.

*Compensation for R/W fence to be by fixed schedule or in accord with Section 6B.44 Code of Iowa

Approved by:

DATE OF ESTIMATE

Signed _____
Estimating Agent

DATE _____

IOWA DEPARTMENT OF TRANSPORTATION

Appraisal Waiver Determination

County _____

Project No. _____

Parcel No. _____

In order to determine whether or not a proposed acquisition is “uncomplicated”, and eligible for the use of a Compensation Estimate rather than an appraisal, the following questions should be answered:

- Is the proposed acquisition over \$10,000?
- Is the proposed acquisition anything more than a strip acquisition?
- Are buildings, wells, signs, etc. affected?
- Is the proposed right of way line enough closer to any building after the acquisition to require analysis of possible proximity damages?
- Is access to the property changed or limited?
- Is the current highest and best use of the property going to be changed as a result of the proposed acquisition?
- Does a significant amount of the total compensation involve items other than land value?
- Are there any borrow areas?
- Is there reason to believe this parcel will proceed to Condemnation?
- Is more land than actually needed being acquired?
- Does the proposed acquisition impact the sewage disposal system or property drainage?
- Are there any other considerations that complicate the valuing of this parcel?

If the answer to one of these questions is “yes”, the acquisition could still be considered as an “uncomplicated” acquisition.

A single “yes” answer would need further analysis to decide whether the indicated situation causes the acquisition to become complicated and thus require the property to be appraised.

Multiple “yes” answers would indicate that the proposed acquisition could not be considered to be “uncomplicated” and an appraisal is required.

This parcel appears to be a Compensation Estimate considering known factors at this time.

Name _____

Date _____

800 Lincoln Way, Ames, IA 50010

PHONE: 515-239-1258

FAX: 515-239-1247

_____, 2003

When corresponding, refer to:

_____ County

Project No. _____

Parcel: _____

\$ _____

Dear _____:

Per your bid proposal, you are requested to prepare appraisal reports on the above referenced project. We understand your fee for this assignment shall not exceed \$_____. The agreed upon completion date for this assignment is on or before _____.

Enclosed is a contract for appraisal services. **Please sign all three contract forms and return to this office.** You will be authorized to proceed as soon as the contract is approved by the Iowa Department of Transportation (DOT). When the contract is approved, you will receive a letter authorizing you to proceed with the appraisal activities. You will also receive the parcel files and other pertinent information relating to the project.

You will be expected to prepare appraisals using the reporting format listed in Paragraph 1 of the contract. If your inspection indicates the need to change the format, you should contact this office. Adjustments, if any, to the contract price will be discussed per Paragraph 4 of the contract.

All appraisals will be prepared in accordance with the Iowa Department of Transportation Appraisal Operational Manual. It is your responsibility to be familiar with its content and requirements.

There are a number of specific items that you should be aware of. These include, but are not limited to:

- When preparing the appraisal, you **must** contact the property owner, or their designated representative, before you conduct an on-site, physical inspection of the property you are appraising. You are also reminded that, as a representative of the Iowa DOT, you are to promote good public relations through your professional conduct and exercise of discretion in contacts with the public. You should issue no statements to news media without permission from this office.

- Please send three typed copies of each appraisal report plus an extra Form 633-101 (Appraisal Report). **When you have completed the appraisals, please return ALL parcel information, including the brown files. The plans do not need to be returned.**
- A copy of the appraisal will be sent to the property owner, or their designated representative. Therefore, it is important that you communicate your appraisal report in a way that is understood by persons with little appraisal or real estate knowledge.
- If a property description is lengthy, it is acceptable to put “see attached” on Form 633-101 (Appraisal Report), and attach a copy of the deed description from the title report.
- Please provide complete property addresses, which include a street or avenue number and the applicable zip code. This is necessary because, in the event of a condemnation proceeding, a P.O. or Box number cannot be served.
- Liquid Petroleum (LP) tank located within the proposed acquisition areas or those which serve improvements to be acquired must be researched as to ownership. If the tanks are leased and will not be included with the real estate under appraisement, they will be identified as such and the lessor will be named. Any other such items, such as a satellite dish, that are not considered real property, must be clearly identified.

If any improvement is involved with this assignment, you must:

- Inspect and provide photographs of both the interior and exterior of all improvements to be acquired. Original color photographs or digital reproductions should be included in all copies of the appraisal.
- Photographs of an acquired residence must include exterior shots from opposite corners to ensure all sides of the structure are shown. Interior photographs should include the kitchen(s), bathroom(s), heating, ventilation and air conditioning (HVAC) system, electrical system and any other feature that would be addressed in the “Elements of Comparison” portion of the appraisal report.
- Photographs of other acquired improvements should include one interior shot and include any unique characteristics.

- Floor plan sketches with dimensions of each improvement to be acquired must be included in the appraisal report. They do not need to be drawn to scale but should be approximate.
- Any sign of hazardous materials, contaminants and other environmental issues must be reported. If an improvement to be acquired contains asbestos, you will need to furnish this office with: the parcel number, address, description and type, size or amount, age, previous use, and present use. This information is required by EPA as part of their notification policy.
- In cases where the primary well is to be acquired, a well contractor should be hired to test the capacity and quality of the water. The contractor is to determine the gallons pumped per minute and a water sample will be taken and sent to a qualified laboratory to determine bacterial and nitrate levels. The intent is to have a benchmark for a new water source. Charges for the contractor and/or tests can be submitted to the Iowa DOT for payment.
- Copies of all sales used, including original or digital photographs, must be included within each individual report along with a complete sales map showing pertinent sales and the subject property.

If you have any additional questions as you prepare the appraisals, please feel free to contact this office.

Sincerely,

Bernard B. Banker, SR/WA
Chief Appraiser
Office of Right of Way

BBB:lk
Enclosure

800 Lincoln Way, Ames, IA 50010

PHONE: 515-239-1258

FAX: 515-239-1247

When corresponding, refer to:
County

Parcel No.:

\$

Dear _____ :

Please find enclosed your copy of the approved contract for appraisal services. This copy is for your records, and you are authorized to proceed.

The completion date for this appraisal report shall be on or before _____, 2003.

REMEMBER: When you have completed the appraisals, please return all parcel information, including the brown files. The plans do not need to be returned.

When you complete the appraisal report, please submit an original signed copy of your company invoice, including the project number and parcel number(s).

Sincerely,

Bernard B. Banker, SR/WA
Chief Appraiser
Right of Way Office

BBB:lk

Enclosure

cc: _____, District Engineer
Resident Construction Engineer
Pat McNamara, Accounting

**Admin.
Exhibit 11**

800 Lincoln Way, Ames, IA 50010

PHONE: 515-239-1258

FAX: 515-239-1247

When corresponding, refer to:

County

Parcel No.:

\$

Dear :

Per your proposal, please prepare appraisal reports on the above referenced project. No new contract is required as this assignment will be supplemental to Contract # .

We understand your fee shall not exceed \$, and completion date of on or before , 2003, is requested.

When you have completed the appraisals, please return all parcel information including the brown files. The plans do not need to be returned.

Sincerely,

Bernard B. Banker, SR/WA
Chief Appraiser
Right of Way Office

BBB:lk
Enclosure

Iowa Department of Transportation

OFFICE: Right Of Way Director DATE: August 11, 2003

ATTENTION: <NAME>

FROM: <NAME>

OFFICE: Right Of Way Appraisal

SUBJECT: APPRAISAL REPORTS REVIEWED & FORWARDED DURING <MONTH>
FOR FISCAL YEAR <YEAR>

<u>Staff Appraisers for:</u>	<u><MONTH></u>	<u>YTD</u>	<u>Percentage</u>
Acquisition Appraisals for Review	<NUMBER>	<NUMBER>	<%>
Court Purposes	<NUMBER>	<NUMBER>	<%>
Other Uses	<NUMBER>	<NUMBER>	<%>
Total by Staff	<NUMBER>	<NUMBER>	<%>
 <u>Fee Appraisers for:</u>			
Acquisition 1 st Appraisals	<NUMBER>	<NUMBER>	<%>
Acquisition 2 nd Appraisals	<NUMBER>	<NUMBER>	<%>
Total by Fee:	<NUMBER>	<NUMBER>	<%>
 Fixture & Equipment Appraisals	<NUMBER>	<NUMBER>	<%>
 Appraisals Reviewed by Consultants	<NUMBER>	<NUMBER>	<%>
 Other Agency's Appraisals Reviewed (Airports, City & County Roads, Excess, RISE Programs, Railroads, etc.)	<NUMBER>	<NUMBER>	<%>
			<hr/> 100%
 Total for Fiscal <YEAR>			
Staff Appraisals: (Incl. Court)	<NUMBER>		
Fee Appraisals:	<NUMBER>		
Fixture & Equipment Appraisals:	<NUMBER>		
Consultants Appraisal Reviews	<NUMBER>		
Other Agency's Reviews:	<NUMBER>		
Other Uses:	<NUMBER>		
Total Reviewed:	<NUMBER>		

c: Payment & Audit Section

